

1987 FEB 13 PM 4:34
HOUSE OF REPRESENTATIVES

I certify that the attached is a true and
correct copy of H.J.R. 4, which
was filed of record on FEB 6 1987,
and referred to the committee on:

Science and Technology
Betty Murray
Chief Clerk of the House

FILED FEB 6 1987

By Colle T. Allister
Hackney Al Luna
A JOINT RESOLUTION

H.J.R. No. 4

1 proposing a constitutional amendment providing for state financing
2 of development of Texas products and businesses.

3 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

4 SECTION 1. Article XVI of the Texas Constitution is amended
5 by adding Section 72 to read as follows:

6 Sec. 72. (a) In this section:

7 (1) "Commission" means the Texas Economic Development
8 Commission or its successor.

9 (2) "Executive director" means the executive director of the
10 commission or the executive director's designee.

11 (3) "Person" means an individual, proprietorship,
12 partnership, association, cooperative, corporation, nonprofit
13 organization, or any other organization.

14 (4) "Product" means an invention, product, device,
15 technique, or process, without regard to whether a patent has or
16 could be granted, that is or may be exploitable commercially; the
17 term does not refer to pure research but includes products,
18 devices, techniques, or processes that have advanced beyond the
19 theoretical stage and have or are readily capable of having a
20 practical application.

21 (5) "Venture financing" means revolving loans, loan
22 guarantees, or equity investment from the Texas product development
23 fund to a person for use in the development of new or improved
24 products.

1 (b) The Texas product development fund is a fund in the
2 state treasury. The fund consists of state appropriations, royalty
3 receipts, and money acquired from federal grants or other sources.
4 Money received from royalties, loan repayments, or other sources
5 shall be deposited in the fund and is available for use by the
6 commission under this section.

7 (c) Money in the fund may be used only to provide venture
8 financing to aid in the development of new or improved products.
9 The commission may provide venture financing from the fund for the
10 purposes of designing and constructing new facilities,
11 rehabilitating existing facilities, acquiring any interest in real
12 or personal property, and providing initial working capital to pay
13 the cost of salaries, rent, supplies, inventory, mortgage payments,
14 legal services, utilities, telephone, travel, and other incidental
15 costs normally classified as working capital according to standard
16 accounting principles. The commission shall provide venture
17 financing from the fund on the terms and conditions that the
18 commission determines to be reasonable, appropriate, and consistent
19 with the purposes and objectives of the fund and this section for
20 the purpose of financing a new or improved product that is or may
21 be exploitable commercially. The commission may provide venture
22 financing only if financing for the product is not otherwise
23 available on reasonable terms.

24 (d) Before approving the provision of venture financing to
25 any person, the commission shall enter into an agreement with the
26 person under which the commission will obtain royalties, patent
27 rights, equitable interests, or a combination of these royalties,

1 rights, and interests, from or in the product or proceeds of the
2 product for which venture financing is requested. Contracts
3 executed under this section must include agreements to ensure
4 proper use of funds and the receipt of royalties, patent rights, or
5 equity interest, as appropriate.

6 (e) The commission shall:

7 (1) administer this section; and

8 (2) consider and approve or deny applications for venture
9 financing from persons proposing the development of new or improved
10 products.

11 (f) The commission may:

12 (1) provide venture financing to acquire, construct,
13 enlarge, improve, equip, sell, lease, exchange, and otherwise
14 dispose of property, structures, equipment, and facilities within
15 the state;

16 (2) enter into venture agreements with persons, on terms and
17 conditions consistent with the purposes of this section, for the
18 advancement of venture financing to the persons for the development
19 of specific products;

20 (3) enter into agreements necessary or incidental to the
21 performance of its duties and the execution of its powers under
22 this section;

23 (4) hold patents, copyrights, trademarks, or other evidences
24 of protection or exclusivity issued under the laws of the United
25 States, any state, or any nation;

26 (5) receive, hold, sell, and transfer shares of corporate
27 stock in a corporation formed for the purpose of marketing,

1 producing, manufacturing, or promoting a product for which the fund
2 has provided venture financing;

3 (6) consent to termination, modification, forgiveness, or
4 other change of a term of a contractual right, payment, royalty,
5 contract, or agreement to which the council is a party;

6 (7) accept funds from any source to carry out the purposes
7 of this section;

8 (8) assist persons with obtaining alternative forms of
9 governmental or commercial financing for development of new or
10 improved products;

11 (9) encourage financial institutions to participate in
12 consortiums for investment in the development of new or improved
13 products;

14 (10) provide and pay for advisory and technical assistance
15 consistent with the purposes of this section;

16 (11) engage in special programs to enhance the development
17 of new or improved products; and

18 (12) perform other functions to carry out the purposes and
19 requirements of this section.

20 (g) An application for venture financing must be delivered,
21 together with a reasonable application fee prescribed by the
22 commission, to the executive director, who shall conduct an
23 investigation and prepare a report concerning the advisability of
24 approving the application and concerning other factors considered
25 relevant by the commission. The executive director's report must
26 include:

27 (1) information regarding the history and financial

1 condition of the applicant, including the applicant's income
2 statement, information about the applicant's present markets and
3 market prospects and about the integrity of the applicant's
4 management; and

5 (2) a statement of the feasibility of the product for which
6 financing is requested, including the state of development of the
7 product and the likelihood of its commercialization.

8 (h) The executive director shall also determine the
9 following with respect to each application for venture financing:

10 (1) whether the product for which financing is requested is
11 economically sound, and whether there is a reasonable expectation
12 that the product will be successful;

13 (2) whether the product will create or preserve jobs and
14 otherwise benefit the economy of the state;

15 (3) whether the applicant lacks the financial resources to
16 complete the project, and whether venture financing is necessary
17 because financing is unavailable in traditional capital markets or
18 credit has been offered on terms that would preclude the success of
19 the project; and

20 (4) whether there is reasonable assurance that the potential
21 revenues to be derived from the sale of the product will be
22 sufficient to repay any venture financing approved by the
23 commission, and whether, with respect to patents, copyrights, and
24 other ownership rights relative to the product, there is reasonable
25 assurance that the product will be used to the maximum extent
26 possible in facilities located in Texas.

27 (i) The executive director shall submit the report to the

1 commission. After considering the report, together with other
2 information that the commission considers appropriate, the
3 commission shall approve or deny the application for venture
4 financing, and promptly notify the applicant of its decision.

5 (j) Information relating to a product and the application or
6 use of a product, and technological and scientific information,
7 including computer programs, developed in whole or part by an
8 applicant for or recipient of venture financing, is confidential
9 and is not subject to disclosure under state law or otherwise,
10 regardless of whether the product is patentable or capable of being
11 registered under copyright or trademark laws, or has a potential
12 for being sold, traded, or licensed for a fee.

13 SECTION 2. Article XVI of the Texas Constitution is amended
14 by adding Section 73 to read as follows:

15 Sec. 73. (a) In this section:

16 (1) "Commission" means the Texas Economic Development
17 Commission or its successor.

18 (2) "Educational institution" means a junior college, or a
19 state or private college or university.

20 (3) "Local sponsor" means an organization or entity,
21 including a municipality, an educational institution, a development
22 corporation created pursuant to state law, or a private
23 organization, that enters into a written agreement with the
24 commission to establish, operate, and administer a small business
25 incubator, or that contracts with another organization or entity to
26 operate or administer a small business incubator.

27 (4) "Program" means the Small Business Incubator Program.

1 (5) "Small business" means a corporation, partnership, sole
2 proprietorship, or other legal entity that is domiciled in Texas,
3 formed for the purpose of making a profit, and independently owned
4 and operated, and that employs fewer than 25 full-time employees.

5 (6) "Small business incubator" means a facility within which
6 small businesses share common space, equipment, and support
7 personnel, and have access to professional consultants for advice
8 related to the technical and management aspects of conducting a
9 commercial enterprise.

10 (7) "Tenant" means a small business other than a nonprofit,
11 retail, wholesale, or personal service enterprise that leases space
12 in a small business incubator.

13 (b) The Small Business Incubator Program is established to
14 foster and stimulate the development of new small businesses by
15 providing low-interest loans and grants to local sponsors for the
16 establishment and operation of small business incubators.

17 (c) The commission shall:

18 (1) adopt rules to carry out the purposes of this section,
19 including rules governing loan procedures, repayment terms,
20 security requirements, and default and remedy provisions;

21 (2) make loans and grants to small business incubators and
22 local sponsors;

23 (3) ensure that local sponsors comply with the requirements
24 of this section; and

25 (4) receive and evaluate annual reports from each local
26 sponsor, including a financial statement for the small business
27 incubator operated by the sponsor, evidence that all tenants in the

1 facility are eligible under this section, and a list of the tenants
2 located in the small business incubator.

3 (d) The commission, if it finds that a local sponsor of a
4 small business incubator is not complying with this section, may
5 withdraw financial support from the incubator.

6 (e) The commission staff shall work closely with designated
7 small business incubators, offer advice and assistance, and
8 promote, through advertising and other appropriate means, the
9 concept, benefits, and availability of small business incubators.

10 (f) Each sponsor shall:

11 (1) pay, from funds other than loans or grants provided
12 through the small business incubator fund, not less than 50 percent
13 of the cost of purchasing, leasing, or renovating the small
14 business incubator, and not less than 50 percent of the cost of
15 operating and maintaining the small business incubator;

16 (2) secure title on the small business incubator or execute
17 a lease with the intent of securing title to the small business
18 incubator;

19 (3) market the small business incubator and secure eligible
20 tenants;

21 (4) establish policies governing the acceptance of tenants
22 into the small business incubator and the termination of occupancy
23 of tenants;

24 (5) establish rental and service fees;

25 (6) manage the physical development of the small business
26 incubator;

27 (7) provide physical space for tenants and furnish and equip

1 the small business incubator to provide business development
2 services to the tenants;

3 (8) provide or arrange for the provision to tenants of
4 bookkeeping, accounting, or other consulting services; legal
5 services; assistance with product development, commercialization,
6 and marketing; assistance in gaining access to private financial
7 markets; and other business development and management services;

8 (9) provide professional counseling services and information
9 relating to governmental regulations applicable to small
10 businesses, basic management skills, advertising, promotion,
11 marketing, sales, inventory controls, personnel administration, and
12 labor relations, and provide financial counseling in areas such as
13 venture capital, risk management, and taxes;

14 (10) provide or arrange for the provision of facility
15 services within the small business incubator, including secretarial
16 services, cleaning, building security, conference, laboratory, and
17 library facilities, and duplicating machines, computers, and other
18 electronic equipment;

19 (11) encourage the sharing of information and ideas among
20 tenants, and otherwise aid tenants while they are in the small
21 business incubator; and

22 (12) establish a local advisory committee to assist in the
23 performance of the duties and responsibilities provided by this
24 subsection.

25 (g) A local sponsor may submit an application to the
26 commission to obtain a loan or grant to establish and operate a
27 small business incubator. The application must include:

1 (1) a description of the location, size, and other physical
2 characteristics of the building to be used as the small business
3 incubator;

4 (2) the cost of leasing or purchasing the building;

5 (3) a detailed itemization of all estimated annual operating
6 and maintenance costs for the small business incubator;

7 (4) the amount of the loan or grant requested for the small
8 business incubator;

9 (5) an estimate of the annual income that will be generated
10 by the small business incubator from tenant fees and other sources;

11 (6) the value of cash contributions and services to be
12 provided by the local sponsor and other sources;

13 (7) a demonstration, through a market study or other means,
14 of the prospects for attracting suitable businesses to the small
15 business incubator, and the potential for sustained use of the
16 small business incubator by eligible tenants;

17 (8) a demonstration of the ability of the local sponsor to
18 comply with the requirements of Subsection (f) of this section;

19 (9) a demonstration that the small business incubator will
20 generate a significant number of new jobs;

21 (10) a demonstration that establishment of the small
22 business incubator is supported by local representatives of
23 business, labor, educational, and governmental entities; and

24 (11) other information the commission requires.

25 (h) The commission shall review and approve or deny
26 applications by local sponsors for loans or grants based on:

27 (1) the ability of the local sponsor to carry out the

1 requirements and purposes of this section;

2 (2) the potential economic effect of the small business
3 incubator on the state and on the community in which the small
4 business incubator would be located;

5 (3) whether the small business incubator proposal conforms
6 with existing areawide and local economic development plans;

7 (4) the location of the small business incubator, in order
8 to encourage geographic distribution of small business incubators
9 across the state; and

10 (5) other criteria established by the commission.

11 (i) On commission approval of a small business incubator,
12 the local sponsor may begin accepting applications from persons
13 desiring to locate a small business in the small business
14 incubator. An application must be submitted in a form approved by
15 the commission and must include:

16 (1) a description of the type of business the applicant
17 wishes to establish or expand;

18 (2) an estimate of the number of employees the applicant
19 will need to establish or expand the business, and a two-year
20 projection of future employment needs;

21 (3) a description of the skill and educational level of the
22 employees the applicant plans to hire and the ability of the
23 applicant to establish and operate a successful business;

24 (4) a general statement of the reason the applicant wishes
25 to be accepted into the small business incubator; and

26 (5) a signed acknowledgment by the applicant that the
27 applicant understands and accepts the obligations imposed by

1 Subsection (l) of this section.

2 (j) The local sponsor shall conduct an evaluation of each
3 applicant based on, but not limited to, the following:

4 (1) the likelihood that the business will be profitable;

5 (2) whether the product to be manufactured or the service to
6 be rendered would be new or improved;

7 (3) whether the potential market for the product or service
8 is regional, statewide, or national;

9 (4) the likelihood that the business will generate a
10 significant number of new jobs, and not eliminate existing jobs in
11 the community or area of the small business incubator;

12 (5) certification that the business is a new plant start-up
13 or new venture opportunity and is not an area or regional
14 relocation of an existing business, or that it is a relocation that
15 will result in substantial growth of the business; and

16 (6) the likelihood that the business will be substantially
17 aided by its location in the small business incubator.

18 (k) The local sponsor shall notify each person or entity
19 that has agreed to contribute money or other property to the small
20 business incubator, and each applicant for small business incubator
21 space whose application it accepts, of its decision and whether
22 space for the applicant in the small business incubator exists.
23 The local sponsor notify each applicant it rejects and shall
24 provide the reasons for the rejection.

25 (l) A tenant within a designated small business incubator
26 shall:

27 (1) pay rent determined by the local sponsor, who may agree

1 to defer payment of rent for a predetermined number of months until
2 a date by which the business is expected to have received committed
3 starting capital;

4 (2) pay utilities and other costs determined by the local
5 sponsor; and

6 (3) relocate to a permanent location not later than 24
7 months after the date of entering the small business incubator,
8 except that a tenant may request suspension of this requirement for
9 one or more periods not exceeding six months and the local sponsor
10 may grant such a request on a determination that the tenant still
11 requires the services of the small business incubator.

12 (m) Loans or grants provided to local sponsors may be used
13 only for the acquisition and leasing of land and existing
14 buildings, the rehabilitation of buildings or other facilities, or
15 the purchase of equipment and furnishings necessary for the
16 establishment and operation of the small business incubator. Loans
17 and grants to local sponsors may not exceed the lesser of \$_____ or
18 50 percent of total eligible project costs. All loans must be
19 adequately secured by liens on collateral of the local sponsor or
20 guaranteed by a financial institution in a manner that adequately
21 secures the loan. A loan or grant for a small business incubator
22 in a facility that is currently leased shall only be made if the
23 local sponsor intends to buy the facility. Payment of interest and
24 principal on loans may be deferred at the discretion of the
25 commission. Interest on all loans may not exceed one percent less
26 than the rate of interest borne by the general obligation bonds of
27 the state last issued before the date that the loan is made. Money

1 may be loaned for not more than the greater of 10 years or the
2 useful life of the property, as determined in the manner
3 established by the United States Department of Treasury.

4 (n) The commission may award challenge grants for the
5 purpose of providing seed capital to a tenant of a small business
6 incubator to assist development of the business. Each application
7 for a challenge grant must:

8 (1) describe the purposes of the proposed grant, including a
9 detailed description of businesses that would be assisted by the
10 grant;

11 (2) explain the need for the challenge grant in attracting
12 private investment to the business;

13 (3) present a detailed plan for use of the grant, including
14 the amount of private investment sought, and the strategy for
15 obtaining those investments; and

16 (4) describe private investment commitments already
17 obtained.

18 (o) The commission may not deliver funds awarded as a
19 challenge grant unless it finds that at least \$3 of private
20 investment has been committed for each \$1 of the grant. If a
21 recipient of a challenge grant cannot demonstrate the commitment of
22 those funds, before a deadline established by the commission, the
23 commission shall rescind the grant or the portions of the grant for
24 which adequate commitment has not been demonstrated.

25 (p) A local sponsor, the commission, or any other person or
26 entity may not disclose matters of a proprietary nature submitted
27 by a person or business under this section, such as commercial or

1 financial information, trade secrets, or confidential personal
2 information, without the consent of the person or business
3 submitting the information.

4 (q) On or before January 1 of each year, the commission
5 shall submit to the governor and legislature a report showing:

6 (1) the number of applications for small business incubators
7 submitted to the commission;

8 (2) the number of applications for small business incubators
9 approved by the commission;

10 (3) the number of small business incubators created under
11 this section;

12 (4) the number of tenants occupying each small business
13 incubator;

14 (5) the number of jobs provided by each small business
15 incubator and by each tenant;

16 (6) the occupancy rate of each small business incubator;

17 (7) the number of businesses that have left small business
18 incubators and are still operating in the state, and the number of
19 jobs those businesses have provided;

20 (8) the amount of funds awarded as challenge grants;

21 (9) the amount of private investment committed as required
22 by Subsection (n) of this section; and

23 (10) the number, types, and amounts of investments in small
24 businesses made with funds under Subsection (n) of this section.

25 (r) The commission in its report under Subsection (q) of
26 this section shall attempt to identify the reasons why any
27 businesses have left the state after starting in a small business

1 incubator.

2 (s) The small business incubator fund is a special fund in
3 the state treasury. Money appropriated to the commission and all
4 other money received by the commission under this section shall be
5 deposited to the credit of the fund. The fund shall operate as a
6 revolving fund the contents of which may be applied and reapplied
7 to the purposes of this section.

8 (t) A small business incubator is exempt from ad valorem
9 taxation in the same manner as an institution of purely public
10 charity under Article VIII, Section 2, of this constitution. An
11 approved small business incubator shall be a nonprofit entity, and
12 no part of its net earnings remaining after payment of its expenses
13 shall benefit any individual, firm, or corporation, except that if
14 the local sponsor determines that sufficient provision has been
15 made for the full payment of the debts and other obligations of the
16 small business incubator, any additional net earnings of the small
17 business incubator shall be paid to its local sponsor.

18 SECTION 3. This proposed amendment shall be submitted to the
19 voters at an election to be held November 3, 1987. The ballot
20 shall be printed to provide for voting for or against the
21 proposition: "The constitutional amendment to provide for state
22 financing of the development of Texas products and businesses."

HOUSE COMMITTEE REPORT

1937 MAR 31 PM 10 44
HOUSE OF REPRESENTATIVES

1st. Printing

By Colbert, et al.

H.J.R. No. 4

Substitute the following for H.J.R. No. 4:

By Lewis of Orange

C.S.H.J.R. No. 4

A JOINT RESOLUTION

1 proposing a constitutional amendment authorizing the legislature to
2 provide for the issuance of bonds and state financing of
3 development and production of Texas products and businesses.

4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Article XVI of the Texas Constitution is amended
6 by adding Section 72 to read as follows:

7 Sec. 72. (a) The legislature by law may establish a Texas
8 product development fund to be used without further appropriation
9 solely in furtherance of a program established by the legislature
10 to aid in the development and production of new or improved
11 products in this state. To carry out the program authorized by
12 this subsection, the legislature may authorize loans, loan
13 guarantees, and equity investments using money in the Texas product
14 development fund and the issuance of up to \$15 million of general
15 obligation bonds to provide initial funding of the Texas product
16 development fund. The Texas product development fund is composed
17 of the proceeds of the bonds authorized by this subsection, loan
18 repayments, guarantee fees, royalty receipts, dividend income, and
19 other amounts received by the state from loans, loan guarantees,
20 and equity investments made under this subsection and any other
21 amounts required to be deposited in the Texas product development
22 fund by the legislature.

23 (b) The legislature by law may establish a Texas small
24 business incubator fund to be used without further appropriation

1 solely in furtherance of a program established by the legislature
2 to foster and stimulate the development of small businesses in the
3 state. A small business incubator operating under the program is
4 exempt from ad valorem taxation in the same manner as an
5 institution of purely public charity under Article VIII, Section 2,
6 of this constitution. To carry out the program authorized by this
7 subsection, the legislature may authorize loans and grants of money
8 in the Texas small business incubator fund and the issuance of up
9 to \$10 million of general obligation bonds to provide initial
10 funding of the Texas small business incubator fund. The Texas
11 small business incubator fund is composed of the proceeds of the
12 bonds authorized by this subsection, loan repayments, and other
13 amounts received by the state for loans or grants made under this
14 subsection and any other amounts required to be deposited in the
15 Texas small business incubator fund by the legislature.

16 (c) Bonds authorized under this section constitute a general
17 obligation of the state. While any of the bonds or interest on the
18 bonds is outstanding and unpaid, there is appropriated out of the
19 first money coming into the treasury in each fiscal year, not
20 otherwise appropriated by this constitution, the amount sufficient
21 to pay the principal of and interest on the bonds that mature or
22 become due during the fiscal year, less any amount in any sinking
23 fund at the end of the preceding fiscal year that is pledged to
24 payment of the bonds or interest.

25 SECTION 2. This proposed amendment shall be submitted to the
26 voters at an election to be held November 3, 1987. The ballot
27 shall be printed to provide for voting for or against the

C.S.H.J.R. No. 4

1 proposition: "The constitutional amendment authorizing the
2 legislature to provide for state financing of the development and
3 production of Texas products and businesses."

COMMITTEE REPORT

The Honorable Gib Lewis
Speaker of the House of Representatives

3-31-87

(date)

Sir:

We, your COMMITTEE ON SCIENCE & TECHNOLOGY,

to whom was referred H. J. R. 4 (measure) have had the same under consideration and beg to report back with the recommendation that it

() do pass, without amendment.

() do pass, with amendment(s).

(X) do pass and be not printed; a Complete Committee Substitute is recommended in lieu of the original measure.

A fiscal note was requested. (X) yes () no

An actuarial analysis was requested. () yes (X) no

An author's fiscal statement was requested. () yes (X) no

~~The Committee recommends that this measure be placed on the (Local) or (Consent) Calendar.~~

This measure (X) proposes new law. (X) amends existing law.

House Sponsor of Senate Measure _____

The measure was reported from Committee by the following vote:

	AYE	NAY	PNV	ABSENT
Luna, A., Ch.	✓			
Blackwood, V.C.	✓			
Lewis, R., C.B.O.				✓
Campbell				✓
Culberson	✓			
Hunter	✓			
Kubiak	✓			
Richardson	✓			
Shelley	✓			

Total

7 aye

0 nay

0 present, not voting

2 absent

CHAIRMAN

COMMITTEE COORDINATOR

BILL ANALYSIS

By: Colbert

C.S.H.J.R. 4

BACKGROUND

Texas' current economic difficulties stem in part from overdependence on too few economic sectors. Economic diversification is an acknowledged, high-priority need for a return to a healthy state economy.

Other states have dealt with this problem in recent years and have tried a variety of means to encourage business growth. Their attempts include a range of financing options for business R&D, new business start-ups, and business expansions, usually geared towards job creation.

Two financing options that have a good track record of success in other states are state product development funds and state small business incubator programs. At least nine states currently have product development programs of some nature; three states have more than one. At least twenty-eight states have incubators, with varying degrees of state leadership and involvement. Pennsylvania is the most active with twenty-four incubators supported by an array of loan programs, challenge grants, and equity investment programs. Texas currently has three incubators.

In Texas, implementation of either a product development fund or a small business incubator program would conflict with current constitutional language regarding the use of public funds for private purposes. As such, either type of economic development program would require an amendment to the Constitution before Texas could begin to use this economic development tool.

PURPOSE

This resolution amends the Constitution to allow the Legislature to create a Texas Product Development Fund, for the purpose of providing venture financing for commercially exploitable products; it also would amend the Constitution to allow the Legislature to create a Small Business Incubator Program, to foster and stimulate the development of new small businesses. Both would be initially funded via the issuance of general obligation bonds.

SECTION-BY-SECTION ANALYSIS

SECTION 1: Article XVI of the Texas Constitution is amended by the addition of Section 72.

Section 72 (a).

Permits the Legislature to establish a Texas product development fund to aid in the development and production of new and improved products in the state.

Permits the issuance of up to \$15 million in general obligation bonds to provide initial funding. Describes the composition of the fund.

Section 72 (b).

Permits the Legislature to establish a Texas small business incubator fund to foster the development of small businesses in the state. Provides that incubators operating under the program are exempt from ad valorem taxation. Permits the issuance of up to \$10 million to provide initial funding. Describes composition of the fund.

Section 72 (c).

Describes the obligations of the state pertaining to the issuance of general obligation bonds.

SECTION 2. ELECTION.

Submission of amendment to the voters on November 3, 1987.

RULEMAKING AUTHORITY

It is the opinion of this committee that this bill does not delegate any rulemaking authority to any state agency, commission, or officer.

COMPARISON OF ORIGINAL BILL TO SUBSTITUTE

The original bill contained all of the enabling language required to set up the Texas Product Development Fund and the Small Business Incubator Program, including definitions, descriptions of the funds, the administering agency's powers and duties, application requirements, confidentiality protections, and criteria for participation in the two programs.

The substitute strictly addresses the constitutional issue of providing authority for the issuance of general obligation bonds for the purpose of carrying out the two programs. The programs are only described to the extent necessary to establish their purposes, and the composition of the funds is described as well. The obligations of the State with regard to the issuance of the bonds are also provided in greater detail.

SUMMARY OF COMMITTEE ACTION

Public notice was posted in accordance to the rules and a public hearing was held on Tuesday, March 10, 1987.

Testifying for the bill were Ray Smilor, Executive Director of IC2 Institute, and Enrique G. Lopez, Jr., representing the Greater Montopolis S.E. Community & Economic Development Corporation.

Dr. Jon Goodman, Director of the University of Houston Small Business Development Center, testified on the bill.

The bill was referred to a subcommittee of the whole.

The rules were suspended and the subcommittee considered the resolution in public hearing on March 26 and March 31.

On March 31, 1987, the subcommittee met in a public hearing and voted to report the measure as substituted.

On March 31, 1987, the full committee voted to report H.J.R. 4 to the House as substituted with the recommendation that it do pass by a record vote of 7 ayes, -0- nays, -0- present, not voting, and 2 absent.

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

March 31, 1987

TO: Honorable Al Luna, Chair
Committee on Science and Technology
House of Representatives
Austin, Texas

In Re: Committee Substitute for
House Joint Resolution No. 4

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Committee Substitute for House Joint Resolution No. 4 (proposing a constitutional amendment authorizing the Legislature to provide for the issuance of bonds and state financing of development and production of Texas products and businesses) this office has determined the following:

The resolution would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the resolution.

The resolution amends the constitution to allow the Legislature to create a Texas Product Development Fund and permits the issuance of up to \$15 million in general obligation bonds for the purpose of providing venture financing for commercially exploitable products. The resolution also would amend the constitution to allow the Legislature to create a Small Business Incubator Program initially funded by the issuance of up to \$10 million in general obligation bonds, to foster and stimulate the development of new small businesses. The resolution provides that incubators operating under the program are exempt from ad valorem taxation.

The cost of publication of the resolution to the State is estimated to be \$45,000.

No fiscal implication to units of local government is anticipated.

Source: Texas Economic Development Commission;
LBB Staff: JO, HES, JWH, PVT, LV

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

March 10, 1987

TO: Honorable Al Luna, Chair
Committee on Science and Technology
House of Representatives
Austin, Texas

In Re: House Joint Resolution No. 4
By: Colbert, et al.

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on House Joint Resolution No. 4 (proposing a constitutional amendment providing for state financing of development of Texas products and businesses) this office has determined the following:

The resolution would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the resolution.

The resolution proposes a constitutional amendment to create a Texas Product Development Fund and a Small Business Incubator Program to be administered by the Texas Economic Development Commission (TEDC) or its successor agency. The resolution would allow the TEDC to make equity investments in companies that develop and market new products, to make loans to local sponsors of business incubators that assist small businesses, and to provide challenge grants to small businesses that are tenants of participating incubators.

The TEDC would investigate the potential of specific applications for product development investments and loans to the local sponsors of small business incubators. The probable administrative cost of implementing the provisions of the resolution during each of the first five years following passage is estimated as follows:

<u>Fiscal Year</u>	<u>Probable Cost Out of the General Revenue Fund</u>	<u>Change in Number of State Employees from FY 1987</u>
1988	\$511,020	+ 11
1989	457,484	+ 9
1990	565,653	+ 10
1991	555,653	+ 10
1992	555,653	+ 10

Similar administrative costs would continue as long as the provisions of the resolution are in effect.

For the Venture Financing and Small Business grants and loans, a combination of general revenue appropriations and general obligations bonds may be used, provided, however, that the Constitution is amended to authorize the Commission to issue bonds. The amount of general revenue and/or general obligations bonds that would probably be needed to implement the provisions of the bill during each of the first five years following passage is estimated as follows:

<u>Fiscal Year</u>	<u>Amount of General Revenue and/or General Obligations Bonds</u>
1988	\$1,100,000
1989	3,450,000
1990	5,925,000
1991	6,550,000
1992	1,510,000

The cost of publication of the resolution to the State is estimated to be \$45,000.

No fiscal implication to units of local government is anticipated.

Source: Texas Economic Development Commission;
LBB Staff: JO, HES, JWH, PVT, BL

ADOPTED

APR 7 1987

Betty Murray
Chief Clerk
House of Representatives

By Colbert, et al.

H.J.R. No. 4

Substitute the following for H.J.R. No. 4:

By Lewis, R

C.S.H.J.R. No. 4

~~A JOINT RESOLUTION~~

1 proposing a constitutional amendment authorizing the legislature to
2 provide for the issuance of bonds and state financing of
3 development and production of Texas products and businesses.

4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Article XVI of the Texas Constitution is amended
6 by adding Section 72 to read as follows:

7 Sec. 72. (a) The legislature by law may establish a Texas
8 product development fund to be used without further appropriation
9 solely in furtherance of a program established by the legislature
10 to aid in the development and production of new or improved
11 products in this state. To carry out the program authorized by
12 this subsection, the legislature may authorize loans, loan
13 guarantees, and equity investments using money in the Texas product
14 development fund and the issuance of up to \$15 million of general
15 obligation bonds to provide initial funding of the Texas product
16 development fund. The Texas product development fund is composed
17 of the proceeds of the bonds authorized by this subsection, loan
18 repayments, guarantee fees, royalty receipts, dividend income, and
19 other amounts received by the state from loans, loan guarantees,
20 and equity investments made under this subsection and any other
21 amounts required to be deposited in the Texas product development
22 fund by the legislature.

23 (b) The legislature by law may establish a Texas small
24 business incubator fund to be used without further appropriation

1 solely in furtherance of a program established by the legislature
2 to foster and stimulate the development of small businesses in the
3 state. A small business incubator operating under the program is
4 exempt from ad valorem taxation in the same manner as an
5 institution of purely public charity under Article VIII, Section 2,
6 of this constitution. To carry out the program authorized by this
7 subsection, the legislature may authorize loans and grants of money
8 in the Texas small business incubator fund and the issuance of up
9 to \$10 million of general obligation bonds to provide initial
10 funding of the Texas small business incubator fund. The Texas
11 small business incubator fund is composed of the proceeds of the
12 bonds authorized by this subsection, loan repayments, and other
13 amounts received by the state for loans or grants made under this
14 subsection and any other amounts required to be deposited in the
15 Texas small business incubator fund by the legislature.

16 (c) Bonds authorized under this section constitute a general
17 obligation of the state. While any of the bonds or interest on the
18 bonds is outstanding and unpaid, there is appropriated out of the
19 first money coming into the treasury in each fiscal year, not
20 otherwise appropriated by this constitution, the amount sufficient
21 to pay the principal of and interest on the bonds that mature or
22 become due during the fiscal year, less any amount in any sinking
23 fund at the end of the preceding fiscal year that is pledged to
24 payment of the bonds or interest.

25 SECTION 2. This proposed amendment shall be submitted to the
26 voters at an election to be held November 3, 1987. The ballot
27 shall be printed to provide for voting for or against the

C.S.H.J.R. No. 4

1 proposition: "The constitutional amendment authorizing the
2 legislature to provide for state financing of the development and
3 production of Texas products and businesses."

HOUSE ENGROSSMENT

1987 APR -7 PM 4: 03
HOUSE OF REPRESENTATIVES

By Colbert, et al.

H.J.R. No. 4

A JOINT RESOLUTION

1 proposing a constitutional amendment authorizing the legislature to
2 provide for the issuance of bonds and state financing of
3 development and production of Texas products and businesses.

4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

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11 products in this state. To carry out the program authorized by
12 this subsection, the legislature may authorize loans, loan
13 guarantees, and equity investments using money in the Texas product
14 development fund and the issuance of up to \$15 million of general
15 obligation bonds to provide initial funding of the Texas product
16 development fund. The Texas product development fund is composed
17 of the proceeds of the bonds authorized by this subsection, loan
18 repayments, guarantee fees, royalty receipts, dividend income, and
19 other amounts received by the state from loans, loan guarantees,
20 and equity investments made under this subsection and any other
21 amounts required to be deposited in the Texas product development
22 fund by the legislature.

23 (b) The legislature by law may establish a Texas small
24 business incubator fund to be used without further appropriation

1 solely in furtherance of a program established by the legislature
2 to foster and stimulate the development of small businesses in the
3 state. A small business incubator operating under the program is
4 exempt from ad valorem taxation in the same manner as an
5 institution of purely public charity under Article VIII, Section 2,
6 of this constitution. To carry out the program authorized by this
7 subsection, the legislature may authorize loans and grants of money
8 in the Texas small business incubator fund and the issuance of up
9 to \$10 million of general obligation bonds to provide initial
10 funding of the Texas small business incubator fund. The Texas
11 small business incubator fund is composed of the proceeds of the
12 bonds authorized by this subsection, loan repayments, and other
13 amounts received by the state for loans or grants made under this
14 subsection and any other amounts required to be deposited in the
15 Texas small business incubator fund by the legislature.

16 (c) Bonds authorized under this section constitute a general
17 obligation of the state. While any of the bonds or interest on the
18 bonds is outstanding and unpaid, there is appropriated out of the
19 first money coming into the treasury in each fiscal year, not
20 otherwise appropriated by this constitution, the amount sufficient
21 to pay the principal of and interest on the bonds that mature or
22 become due during the fiscal year, less any amount in any sinking
23 fund at the end of the preceding fiscal year that is pledged to
24 payment of the bonds or interest.

25 SECTION 2. This proposed amendment shall be submitted to the
26 voters at an election to be held November 3, 1987. The ballot
27 shall be printed to provide for voting for or against the

H.J.R. No. 4

1 proposition: "The constitutional amendment authorizing the
2 legislature to provide for state financing of the development and
3 production of Texas products and businesses."

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

March 31, 1987

TO: Honorable Al Luna, Chair
Committee on Science and Technology
House of Representatives
Austin, Texas

In Re: Committee Substitute for
House Joint Resolution No. 4

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Committee Substitute for House Joint Resolution No. 4 (proposing a constitutional amendment authorizing the Legislature to provide for the issuance of bonds and state financing of development and production of Texas products and businesses) this office has determined the following:

The resolution would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the resolution.

The resolution amends the constitution to allow the Legislature to create a Texas Product Development Fund and permits the issuance of up to \$15 million in general obligation bonds for the purpose of providing venture financing for commercially exploitable products. The resolution also would amend the constitution to allow the Legislature to create a Small Business Incubator Program initially funded by the issuance of up to \$10 million in general obligation bonds, to foster and stimulate the development of new small businesses. The resolution provides that incubators operating under the program are exempt from ad valorem taxation.

The cost of publication of the resolution to the State is estimated to be \$45,000.

No fiscal implication to units of local government is anticipated.

Source: Texas Economic Development Commission;
LBB Staff: JO, HES, JWH, PVT, LV

7

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

March 10, 1987

TO: Honorable Al Luna, Chair
Committee on Science and Technology
House of Representatives
Austin, Texas

In Re: House Joint Resolution No. 4
By: Colbert, et al.

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on House Joint Resolution No. 4 (proposing a constitutional amendment providing for state financing of development of Texas products and businesses) this office has determined the following:

The resolution would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the resolution.

The resolution proposes a constitutional amendment to create a Texas Product Development Fund and a Small Business Incubator Program to be administered by the Texas Economic Development Commission (TEDC) or its successor agency. The resolution would allow the TEDC to make equity investments in companies that develop and market new products, to make loans to local sponsors of business incubators that assist small businesses, and to provide challenge grants to small businesses that are tenants of participating incubators.

The TEDC would investigate the potential of specific applications for product development investments and loans to the local sponsors of small business incubators. The probable administrative cost of implementing the provisions of the resolution during each of the first five years following passage is estimated as follows:

<u>Fiscal Year</u>	<u>Probable Cost Out of the General Revenue Fund</u>	<u>Change in Number of State Employees from FY 1987</u>
1988	\$511,020	+ 11
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1992	555,653	+ 10

Similar administrative costs would continue as long as the provisions of the resolution are in effect.

For the Venture Financing and Small Business grants and loans, a combination of general revenue appropriations and general obligations bonds may be used, provided, however, that the Constitution is amended to authorize the Commission to issue bonds. The amount of general revenue and/or general obligations bonds that would probably be needed to implement the provisions of the bill during each of the first five years following passage is estimated as follows:

<u>Fiscal Year</u>	<u>Amount of General Revenue and/or General Obligations Bonds</u>
1988	\$1,100,000
1989	3,450,000
1990	5,925,000
1991	6,550,000
1992	1,510,000

The cost of publication of the resolution to the State is estimated to be \$45,000.

No fiscal implication to units of local government is anticipated.

Source: Texas Economic Development Commission;
LBB Staff: JO, HES, JWH, PVT, BL

By: Colbert, et al. (Senate Sponsor - Glasgow) H.J.R. No. 4
(In the Senate - Received from the House April 8, 1987;
April 9, 1987, read first time and referred to Committee on State
Affairs; May 12, 1987, reported adversely, with favorable Committee
Substitute by the following vote: Yeas 8, Nays 0; May 12, 1987,
sent to printer.)

COMMITTEE VOTE

Yea	Nay	PNV	Absent
			x
x			
x			
			x
			x
x			
x			
x			
			x
			x
x			
x			
x			

COMMITTEE SUBSTITUTE FOR H.J.R. No. 4

By: Harris

HOUSE JOINT RESOLUTION

proposing a constitutional amendment authorizing the legislature to
provide for the issuance of bonds and state financing of
development and production of Texas products and businesses.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Article XVI of the Texas Constitution is amended
by adding Section 72 to read as follows:

Sec. 72. (a) The legislature by law may establish a Texas
product development fund to be used without further appropriation
solely in furtherance of a program established by the legislature
to aid in the development and production of new or improved
products in this state. The fund shall contain a program account,
an interest and sinking account, and other accounts authorized by
the legislature. To carry out the program authorized by this
subsection, the legislature may authorize loans, loan guarantees,
and equity investments using money in the Texas product development
fund and the issuance of up to \$15 million of general obligation
bonds to provide initial funding of the Texas product development
fund. The Texas product development fund is composed of the
proceeds of the bonds authorized by this subsection, loan
repayments, guarantee fees, royalty receipts, dividend income, and
other amounts received by the state from loans, loan guarantees,
and equity investments made under this subsection and any other
amounts required to be deposited in the Texas product development
fund by the legislature.

(b) The legislature by law may establish a Texas small
business incubator fund to be used without further appropriation
solely in furtherance of a program established by the legislature
to foster and stimulate the development of small businesses in the
state. The fund shall contain a project account, an interest and
sinking account, and other accounts authorized by the legislature.
A small business incubator operating under the program is exempt
from ad valorem taxation in the same manner as an institution of
purely public charity under Article VIII, Section 2, of this
constitution. To carry out the program authorized by this
subsection, the legislature may authorize loans and grants of money
in the Texas small business incubator fund and the issuance of up
to \$10 million of general obligation bonds to provide initial
funding of the Texas small business incubator fund. The Texas
small business incubator fund is composed of the proceeds of the
bonds authorized by this subsection, loan repayments, and other
amounts received by the state for loans or grants made under this
subsection and any other amounts required to be deposited in the

1 Texas small business incubator fund by the legislature.

2 (c) The legislature by law may establish a Texas
 3 agricultural fund to be used without further appropriation solely
 4 in furtherance of a program established by the legislature to
 5 foster and stimulate the production, processing, and marketing of
 6 agricultural crops and products grown or produced primarily in
 7 Texas by small agricultural businesses domiciled in Texas. The
 8 fund shall contain a program account, an interest and sinking
 9 account, and other accounts authorized by the legislature. To
 10 carry out the program authorized by this subsection, the
 11 legislature may authorize issuance of general obligation bonds in
 12 the amount of \$100 million outstanding at one time, and financial
 13 assistance including, among other things, loan guarantees,
 14 insurance, coinsurance, direct or indirect loans, or purchases or
 15 acceptances of loans or other obligations. The Texas agricultural
 16 fund is composed of the proceeds of the bonds authorized by this
 17 subsection, loan repayments, and other amounts received by the
 18 state for loans made under this subsection, and any other amounts
 19 deposited in the Texas agricultural fund by the legislature or
 20 other parties.

21 (d) The legislature may require review and approval of the
 22 issuance of bonds under this section, of the use of the bond
 23 proceeds, or of the rules adopted by an agency to govern use of the
 24 bond proceeds. Notwithstanding any other provision of this
 25 constitution, any entity created or directed to conduct this review
 26 and approval may include members, or appointees of members, of the
 27 executive, legislative, and judicial departments of state
 28 government.

29 (e) Bonds authorized under this section constitute a general
 30 obligation of the state. While any of the bonds or interest on the
 31 bonds is outstanding and unpaid, there is appropriated out of the
 32 first money coming into the treasury in each fiscal year, not
 33 otherwise appropriated by this constitution, the amount sufficient
 34 to pay the principal of and interest on the bonds that mature or
 35 become due during the fiscal year, less any amount in any interest
 36 and sinking account at the end of the preceding fiscal year that is
 37 pledged to payment of the bonds or interest.

38 SECTION 2. This proposed amendment shall be submitted to the
 39 voters at an election to be held November 3, 1987. The ballot
 40 shall be printed to provide for voting for or against the
 41 proposition: "The constitutional amendment authorizing the
 42 legislature to provide for state financing of the development and
 43 production of Texas products and businesses."

44 * * * * *

45 Austin, Texas
 46 May 12, 1987

47 Hon. William P. Hobby
 48 President of the Senate

49 Sir:

50 We, your Committee on State Affairs to which was referred H.J.R.
 51 No. 4, have had the same under consideration, and I am instructed
 52 to report it back to the Senate with the recommendation that it do
 53 not pass, but that the Committee Substitute adopted in lieu thereof
 54 do pass and be printed.

55 Farabee, Chairman

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

April 14, 1987

TO: Honorable Ray Farabee, Chairman
Committee on State Affairs
Senate Chamber
Austin, Texas

In Re: House Joint Resolution No. 4,
as engrossed
By Colbert

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on House Joint Resolution No. 4, as engrossed (proposing a constitutional amendment authorizing the legislature to provide for the issuance of bonds and state financing of development and production of Texas products and businesses) this office has determined the following:

The resolution would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the resolution.

The resolution amends the constitution to allow the Legislature to create a Texas Product Development Fund and permits the issuance of up to \$15 million in general obligation bonds for the purpose of providing venture financing for commercially exploitable products. The resolution also would amend the constitution to allow the Legislature to create a Small Business Incubator Program initially funded by the issuance of up to \$10 million in general obligation bonds, to foster and stimulate the development of new small businesses. The resolution provides that incubators operating under the program are exempt from ad valorem taxation.

The cost of publication of the resolution to the State is estimated to be \$45,000.

No fiscal implication to units of local government is anticipated.

Source: Texas Economic Development Commission;
LBB Staff: JO, HES, JWH, PVT, MC

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

March 31, 1987

TO: Honorable Al Luna, Chair
Committee on Science and Technology
House of Representatives
Austin, Texas

In Re: Committee Substitute for
House Joint Resolution No. 4

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Committee Substitute for House Joint Resolution No. 4 (proposing a constitutional amendment authorizing the Legislature to provide for the issuance of bonds and state financing of development and production of Texas products and businesses) this office has determined the following:

The resolution would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the resolution.

The resolution amends the constitution to allow the Legislature to create a Texas Product Development Fund and permits the issuance of up to \$15 million in general obligation bonds for the purpose of providing venture financing for commercially exploitable products. The resolution also would amend the constitution to allow the Legislature to create a Small Business Incubator Program initially funded by the issuance of up to \$10 million in general obligation bonds, to foster and stimulate the development of new small businesses. The resolution provides that incubators operating under the program are exempt from ad valorem taxation.

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No fiscal implication to units of local government is anticipated.

Source: Texas Economic Development Commission;
LBB Staff: JO, HES, JWH, PVT, LV

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

March 10, 1987

TO: Honorable Al Luna, Chair
Committee on Science and Technology
House of Representatives
Austin, Texas

In Re: House Joint Resolution No. 4
By: Colbert, et al.

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on House Joint Resolution No. 4 (proposing a constitutional amendment providing for state financing of development of Texas products and businesses) this office has determined the following:

The resolution would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the resolution.

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The TEDC would investigate the potential of specific applications for product development investments and loans to the local sponsors of small business incubators. The probable administrative cost of implementing the provisions of the resolution during each of the first five years following passage is estimated as follows:

<u>Fiscal Year</u>	<u>Probable Cost Out of the General Revenue Fund</u>	<u>Change in Number of State Employees from FY 1987</u>
1988	\$511,020	+ 11
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For the Venture Financing and Small Business grants and loans, a combination of general revenue appropriations and general obligations bonds may be used, provided, however, that the Constitution is amended to authorize the Commission to issue bonds. The amount of general revenue and/or general obligations bonds that would probably be needed to implement the provisions of the bill during each of the first five years following passage is estimated as follows:

<u>Fiscal Year</u>	<u>Amount of General Revenue and/or General Obligations Bonds</u>
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Source: Texas Economic Development Commission;
LBB Staff: JO, HES, JWH, PVT, BL

SENATE FAVORABLY AS SUBSTITUTED COMMITTEE REPORT

Lt. Governor William P. Hobby
President of the Senate

5/12/87
(date)/(time)

Sir:

We, your Committee on STATE AFFAIRS to which was referred
HJR 4 by Colbert have on 5/11, 1987, had the same
(measure) (sponsor) (hearing date)

under consideration and I am instructed to report it back with the recommendation (s) that it

- ☒ do pass as substituted, and be printed
☐ the caption remained the same as original measure
☐ the caption changed with adoption of the substitute

☐ do pass as substituted, and be ordered not printed

☐ and is recommended for placement on the Local and Uncontested Bills Calendar.

A fiscal note was requested. ☒ yes ☐ no

A revised fiscal note was requested. ☒ yes ☐ no

An actuarial analysis was requested. ☐ yes ☒ no

Considered by subcommittee. ☐ yes ☒ no

Senate Sponsor of House Measure Glasgow

The measure was reported from Committee by the following vote:

	YEA	NAY	PNV	ABSENT
Farabee, Chairman				<input checked="" type="checkbox"/>
Blake, Vice Chairman	<input checked="" type="checkbox"/>			
Barrientos	<input checked="" type="checkbox"/>			
Caperton				<input checked="" type="checkbox"/>
Edwards				<input checked="" type="checkbox"/>
Harris	<input checked="" type="checkbox"/>			
Henderson	<input checked="" type="checkbox"/>			
Leedom	<input checked="" type="checkbox"/>			
Lyon				<input checked="" type="checkbox"/>
McFarland				<input checked="" type="checkbox"/>
Parmer	<input checked="" type="checkbox"/>			
Sarpalius	<input checked="" type="checkbox"/>			
Washington	<input checked="" type="checkbox"/>			
TOTAL VOTES	8			5

Shanna Dgo
COMMITTEE CLERK

John A
CHAIRMAN

63
ADOPTED

MAY 14 1987

By Colbert, et al.

Henry King
Secretary of the Senate

H.J.R. No. 4

Substitute the following for H.J.R. No. 4:

By *[Signature]*

C.S.H.J.R. No. 4

A JOINT RESOLUTION

1 proposing a constitutional amendment authorizing the legislature to
2 provide for the issuance of bonds and state financing of
3 development and production of Texas products and businesses.

4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

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10 to aid in the development and production of new or improved
11 products in this state. The fund shall contain a program account,
12 an interest and sinking account, and other accounts authorized by
13 the legislature. To carry out the program authorized by this
14 subsection, the legislature may authorize loans, loan guarantees,
15 and equity investments using money in the Texas product development
16 fund and the issuance of up to \$15 million of general obligation
17 bonds to provide initial funding of the Texas product development
18 fund. The Texas product development fund is composed of the
19 proceeds of the bonds authorized by this subsection, loan
20 repayments, guarantee fees, royalty receipts, dividend income, and
21 other amounts received by the state from loans, loan guarantees,
22 and equity investments made under this subsection and any other
23 amounts required to be deposited in the Texas product development
24 fund by the legislature.

(b) The legislature by law may establish a Texas small business incubator fund to be used without further appropriation solely in furtherance of a program established by the legislature to foster and stimulate the development of small businesses in the state. The fund shall contain a project account, an interest and sinking account, and other accounts authorized by the legislature. A small business incubator operating under the program is exempt from ad valorem taxation in the same manner as an institution of purely public charity under Article VIII, Section 2, of this constitution. To carry out the program authorized by this subsection, the legislature may authorize loans and grants of money in the Texas small business incubator fund and the issuance of up to \$10 million of general obligation bonds to provide initial funding of the Texas small business incubator fund. The Texas small business incubator fund is composed of the proceeds of the bonds authorized by this subsection, loan repayments, and other amounts received by the state for loans or grants made under this subsection and any other amounts required to be deposited in the Texas small business incubator fund by the legislature.

(c) The legislature by law may establish a Texas agricultural fund to be used without further appropriation solely in furtherance of a program established by the legislature to foster and stimulate the production, processing, and marketing of agricultural crops and products grown or produced primarily in Texas by small agricultural businesses domiciled in Texas. The fund shall contain a program account, an interest and sinking account, and other accounts authorized by the legislature. To

1 carry out the program authorized by this subsection, the
2 legislature may authorize issuance of general obligation bonds in
3 the amount of \$100 million outstanding at one time, and financial
4 assistance including, among other things, loan guarantees,
5 insurance, coinsurance, direct or indirect loans, or purchases or
6 acceptances of loans or other obligations. The Texas agricultural
7 fund is composed of the proceeds of the bonds authorized by this
8 subsection, loan repayments, and other amounts received by the
9 state for loans made under this subsection, and any other amounts
10 deposited in the Texas agricultural fund by the legislature or
11 other parties.

12 (d) The legislature may require review and approval of the
13 issuance of bonds under this section, of the use of the bond
14 proceeds, or of the rules adopted by an agency to govern use of the
15 bond proceeds. Notwithstanding any other provision of this
16 constitution, any entity created or directed to conduct this review
17 and approval may include members, or appointees of members, of the
18 executive, legislative, and judicial departments of state
19 government.

20 (e) Bonds authorized under this section constitute a general
21 obligation of the state. While any of the bonds or interest on the
22 bonds is outstanding and unpaid, there is appropriated out of the
23 first money coming into the treasury in each fiscal year, not
24 otherwise appropriated by this constitution, the amount sufficient
25 to pay the principal of and interest on the bonds that mature or
26 become due during the fiscal year, less any amount in any interest
27 and sinking account at the end of the preceding fiscal year that is

1 pledged to payment of the bonds or interest.

2 SECTION 2. This proposed amendment shall be submitted to the
3 voters at an election to be held November 3, 1987. The ballot
4 shall be printed to provide for voting for or against the
5 proposition: "The constitutional amendment authorizing the
6 legislature to provide for state financing of the development and
7 production of Texas products and businesses."

SENATE AMENDMENTS

4 PM 9:50
HOUSE OF REPRESENTATIVE

2nd Printing

By Colbert, et al.

H.J.R. No. 4

A JOINT RESOLUTION

1 proposing a constitutional amendment authorizing the legislature to
2 provide for the issuance of bonds and state financing of
3 development and production of Texas products and businesses.

4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Article XVI of the Texas Constitution is amended
6 by adding Section 72 to read as follows:

7 Sec. 72. (a) The legislature by law may establish a Texas
8 product development fund to be used without further appropriation
9 solely in furtherance of a program established by the legislature
10 to aid in the development and production of new or improved
11 products in this state. To carry out the program authorized by
12 this subsection, the legislature may authorize loans, loan
13 guarantees, and equity investments using money in the Texas product
14 development fund and the issuance of up to \$15 million of general
15 obligation bonds to provide initial funding of the Texas product
16 development fund. The Texas product development fund is composed
17 of the proceeds of the bonds authorized by this subsection, loan
18 repayments, guarantee fees, royalty receipts, dividend income, and
19 other amounts received by the state from loans, loan guarantees,
20 and equity investments made under this subsection and any other
21 amounts required to be deposited in the Texas product development
22 fund by the legislature.

23 (b) The legislature by law may establish a Texas small
24 business incubator fund to be used without further appropriation

1 solely in furtherance of a program established by the legislature
2 to foster and stimulate the development of small businesses in the
3 state. A small business incubator operating under the program is
4 exempt from ad valorem taxation in the same manner as an
5 institution of purely public charity under Article VIII, Section 2,
6 of this constitution. To carry out the program authorized by this
7 subsection, the legislature may authorize loans and grants of money
8 in the Texas small business incubator fund and the issuance of up
9 to \$10 million of general obligation bonds to provide initial
10 funding of the Texas small business incubator fund. The Texas
11 small business incubator fund is composed of the proceeds of the
12 bonds authorized by this subsection, loan repayments, and other
13 amounts received by the state for loans or grants made under this
14 subsection and any other amounts required to be deposited in the
15 Texas small business incubator fund by the legislature.

16 (c) Bonds authorized under this section constitute a general
17 obligation of the state. While any of the bonds or interest on the
18 bonds is outstanding and unpaid, there is appropriated out of the
19 first money coming into the treasury in each fiscal year, not
20 otherwise appropriated by this constitution, the amount sufficient
21 to pay the principal of and interest on the bonds that mature or
22 become due during the fiscal year, less any amount in any sinking
23 fund at the end of the preceding fiscal year that is pledged to
24 payment of the bonds or interest.

25 SECTION 2. This proposed amendment shall be submitted to the
26 voters at an election to be held November 3, 1987. The ballot
27 shall be printed to provide for voting for or against the

H.J.R. No. 4

1 proposition: "The constitutional amendment authorizing the
2 legislature to provide for state financing of the development and
3 production of Texas products and businesses."

By Colbert, et al.

H.J.R. No. 4

SENATE AMENDMENT NO. 1

By Harris

C.S.H.J.R. No. 4

A JOINT RESOLUTION

1 proposing a constitutional amendment authorizing the legislature to
2 provide for the issuance of bonds and state financing of
3 development and production of Texas products and businesses.

4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Article XVI of the Texas Constitution is amended
6 by adding Section 72 to read as follows:

7 Sec. 72. (a) The legislature by law may establish a Texas
8 product development fund to be used without further appropriation
9 solely in furtherance of a program established by the legislature
10 to aid in the development and production of new or improved
11 products in this state. The fund shall contain a program account,
12 an interest and sinking account, and other accounts authorized by
13 the legislature. To carry out the program authorized by this
14 subsection, the legislature may authorize loans, loan guarantees,
15 and equity investments using money in the Texas product development
16 fund and the issuance of up to \$15 million of general obligation
17 bonds to provide initial funding of the Texas product development
18 fund. The Texas product development fund is composed of the
19 proceeds of the bonds authorized by this subsection, loan
20 repayments, guarantee fees, royalty receipts, dividend income, and
21 other amounts received by the state from loans, loan guarantees,
22 and equity investments made under this subsection and any other
23 amounts required to be deposited in the Texas product development
24 fund by the legislature.

1 (b) The legislature by law may establish a Texas small
2 business incubator fund to be used without further appropriation
3 solely in furtherance of a program established by the legislature
4 to foster and stimulate the development of small businesses in the
5 state. The fund shall contain a project account, an interest and
6 sinking account, and other accounts authorized by the legislature.
7 A small business incubator operating under the program is exempt
8 from ad valorem taxation in the same manner as an institution of
9 purely public charity under Article VIII, Section 2, of this
10 constitution. To carry out the program authorized by this
11 subsection, the legislature may authorize loans and grants of money
12 in the Texas small business incubator fund and the issuance of up
13 to \$10 million of general obligation bonds to provide initial
14 funding of the Texas small business incubator fund. The Texas
15 small business incubator fund is composed of the proceeds of the
16 bonds authorized by this subsection, loan repayments, and other
17 amounts received by the state for loans or grants made under this
18 subsection and any other amounts required to be deposited in the
19 Texas small business incubator fund by the legislature.

20 (c) The legislature by law may establish a Texas
21 agricultural fund to be used without further appropriation solely
22 in furtherance of a program established by the legislature to
23 foster and stimulate the production, processing, and marketing of
24 agricultural crops and products grown or produced primarily in
25 Texas by small agricultural businesses domiciled in Texas. The
26 fund shall contain a program account, an interest and sinking
27 account, and other accounts authorized by the legislature. To

1 carry out the program authorized by this subsection, the
2 legislature may authorize issuance of general obligation bonds in
3 the amount of \$100 million outstanding at one time, and financial
4 assistance including, among other things, loan guarantees,
5 insurance, coinsurance, direct or indirect loans, or purchases or
6 acceptances of loans or other obligations. The Texas agricultural
7 fund is composed of the proceeds of the bonds authorized by this
8 subsection, loan repayments, and other amounts received by the
9 state for loans made under this subsection, and any other amounts
10 deposited in the Texas agricultural fund by the legislature or
11 other parties.

12 (d) The legislature may require review and approval of the
13 issuance of bonds under this section, of the use of the bond
14 proceeds, or of the rules adopted by an agency to govern use of the
15 bond proceeds. Notwithstanding any other provision of this
16 constitution, any entity created or directed to conduct this review
17 and approval may include members, or appointees of members, of the
18 executive, legislative, and judicial departments of state
19 government.

20 (e) Bonds authorized under this section constitute a general
21 obligation of the state. While any of the bonds or interest on the
22 bonds is outstanding and unpaid, there is appropriated out of the
23 first money coming into the treasury in each fiscal year, not
24 otherwise appropriated by this constitution, the amount sufficient
25 to pay the principal of and interest on the bonds that mature or
26 become due during the fiscal year, less any amount in any interest
27 and sinking account at the end of the preceding fiscal year that is

1 pledged to payment of the bonds or interest.

2 SECTION 2. This proposed amendment shall be submitted to the
3 voters at an election to be held November 3, 1987. The ballot
4 shall be printed to provide for voting for or against the
5 proposition: "The constitutional amendment authorizing the
6 legislature to provide for state financing of the development and
7 production of Texas products and businesses."

8 70R7612 DWS-F

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

April 14, 1987

TO: Honorable Ray Farabee, Chairman
Committee on State Affairs
Senate Chamber
Austin, Texas

In Re: House Joint Resolution No. 4,
as engrossed
By Colbert

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on House Joint Resolution No. 4, as engrossed (proposing a constitutional amendment authorizing the legislature to provide for the issuance of bonds and state financing of development and production of Texas products and businesses) this office has determined the following:

The resolution would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the resolution.

The resolution amends the constitution to allow the Legislature to create a Texas Product Development Fund and permits the issuance of up to \$15 million in general obligation bonds for the purpose of providing venture financing for commercially exploitable products. The resolution also would amend the constitution to allow the Legislature to create a Small Business Incubator Program initially funded by the issuance of up to \$10 million in general obligation bonds, to foster and stimulate the development of new small businesses. The resolution provides that incubators operating under the program are exempt from ad valorem taxation.

The cost of publication of the resolution to the State is estimated to be \$45,000.

No fiscal implication to units of local government is anticipated.

Source: Texas Economic Development Commission;
LBB Staff: JO, HES, JWH, PVT, MC

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

March 31, 1987

TO: Honorable Al Luna, Chair
Committee on Science and Technology
House of Representatives
Austin, Texas

In Re: Committee Substitute for
House Joint Resolution No. 4

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Committee Substitute for House Joint Resolution No. 4 (proposing a constitutional amendment authorizing the Legislature to provide for the issuance of bonds and state financing of development and production of Texas products and businesses) this office has determined the following:

The resolution would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the resolution.

The resolution amends the constitution to allow the Legislature to create a Texas Product Development Fund and permits the issuance of up to \$15 million in general obligation bonds for the purpose of providing venture financing for commercially exploitable products. The resolution also would amend the constitution to allow the Legislature to create a Small Business Incubator Program initially funded by the issuance of up to \$10 million in general obligation bonds, to foster and stimulate the development of new small businesses. The resolution provides that incubators operating under the program are exempt from ad valorem taxation.

The cost of publication of the resolution to the State is estimated to be \$45,000.

No fiscal implication to units of local government is anticipated.

Source: Texas Economic Development Commission;
LBB Staff: JO, HES, JWH, PVT, LV

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

March 10, 1987

TO: Honorable Al Luna, Chair
Committee on Science and Technology
House of Representatives
Austin, Texas

In Re: House Joint Resolution No. 4
By: Colbert, et al.

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on House Joint Resolution No. 4 (proposing a constitutional amendment providing for state financing of development of Texas products and businesses) this office has determined the following:

The resolution would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the resolution.

The resolution proposes a constitutional amendment to create a Texas Product Development Fund and a Small Business Incubator Program to be administered by the Texas Economic Development Commission (TEDC) or its successor agency. The resolution would allow the TEDC to make equity investments in companies that develop and market new products, to make loans to local sponsors of business incubators that assist small businesses, and to provide challenge grants to small businesses that are tenants of participating incubators.

The TEDC would investigate the potential of specific applications for product development investments and loans to the local sponsors of small business incubators. The probable administrative cost of implementing the provisions of the resolution during each of the first five years following passage is estimated as follows:

<u>Fiscal Year</u>	<u>Probable Cost Out of the General Revenue Fund</u>	<u>Change in Number of State Employees from FY 1987</u>
1988	\$511,020	+ 11
1989	457,484	+ 9
1990	565,653	+ 10
1991	555,653	+ 10
1992	555,653	+ 10

Similar administrative costs would continue as long as the provisions of the resolution are in effect.

For the Venture Financing and Small Business grants and loans, a combination of general revenue appropriations and general obligations bonds may be used, provided, however, that the Constitution is amended to authorize the Commission to issue bonds. The amount of general revenue and/or general obligations bonds that would probably be needed to implement the provisions of the bill during each of the first five years following passage is estimated as follows:

<u>Fiscal Year</u>	<u>Amount of General Revenue and/or General Obligations Bonds</u>
1988	\$1,100,000
1989	3,450,000
1990	5,925,000
1991	6,550,000
1992	1,510,000

The cost of publication of the resolution to the State is estimated to be \$45,000.

No fiscal implication to units of local government is anticipated.

Source: Texas Economic Development Commission;
LBB Staff: JO, HES, JWH, PVT, BL

ENROLLED

H.J.R. No. 4

A JOINT RESOLUTION

1 proposing a constitutional amendment authorizing the legislature to
2 provide for the issuance of bonds and state financing of
3 development and production of Texas products and businesses.

4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

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6 by adding Section 72 to read as follows:

7 Sec. 72. (a) The legislature by law may establish a Texas
8 product development fund to be used without further appropriation
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10 to aid in the development and production of new or improved
11 products in this state. The fund shall contain a program account,
12 an interest and sinking account, and other accounts authorized by
13 the legislature. To carry out the program authorized by this
14 subsection, the legislature may authorize loans, loan guarantees,
15 and equity investments using money in the Texas product development
16 fund and the issuance of up to \$15 million of general obligation
17 bonds to provide initial funding of the Texas product development
18 fund. The Texas product development fund is composed of the
19 proceeds of the bonds authorized by this subsection, loan
20 repayments, guarantee fees, royalty receipts, dividend income, and
21 other amounts received by the state from loans, loan guarantees,
22 and equity investments made under this subsection and any other
23 amounts required to be deposited in the Texas product development
24 fund by the legislature.

1 (b) The legislature by law may establish a Texas small
2 business incubator fund to be used without further appropriation
3 solely in furtherance of a program established by the legislature
4 to foster and stimulate the development of small businesses in the
5 state. The fund shall contain a project account, an interest and
6 sinking account, and other accounts authorized by the legislature.
7 A small business incubator operating under the program is exempt
8 from ad valorem taxation in the same manner as an institution of
9 purely public charity under Article VIII, Section 2, of this
10 constitution. To carry out the program authorized by this
11 subsection, the legislature may authorize loans and grants of money
12 in the Texas small business incubator fund and the issuance of up
13 to \$10 million of general obligation bonds to provide initial
14 funding of the Texas small business incubator fund. The Texas
15 small business incubator fund is composed of the proceeds of the
16 bonds authorized by this subsection, loan repayments, and other
17 amounts received by the state for loans or grants made under this
18 subsection and any other amounts required to be deposited in the
19 Texas small business incubator fund by the legislature.

20 (c) The legislature by law may establish a Texas
21 agricultural fund to be used without further appropriation solely
22 in furtherance of a program established by the legislature to
23 foster and stimulate the production, processing, and marketing of
24 agricultural crops and products grown or produced primarily in
25 Texas by small agricultural businesses domiciled in Texas. The
26 fund shall contain a program account, an interest and sinking
27 account, and other accounts authorized by the legislature. To

1 carry out the program authorized by this subsection, the
2 legislature may authorize issuance of general obligation bonds in
3 the amount of \$100 million outstanding at one time, and financial
4 assistance including, among other things, loan guarantees,
5 insurance, coinsurance, direct or indirect loans, or purchases or
6 acceptances of loans or other obligations. The Texas agricultural
7 fund is composed of the proceeds of the bonds authorized by this
8 subsection, loan repayments, and other amounts received by the
9 state for loans made under this subsection, and any other amounts
10 deposited in the Texas agricultural fund by the legislature or
11 other parties.

12 (d) The legislature may require review and approval of the
13 issuance of bonds under this section, of the use of the bond
14 proceeds, or of the rules adopted by an agency to govern use of the
15 bond proceeds. Notwithstanding any other provision of this
16 constitution, any entity created or directed to conduct this review
17 and approval may include members, or appointees of members, of the
18 executive, legislative, and judicial departments of state
19 government.

20 (e) Bonds authorized under this section constitute a general
21 obligation of the state. While any of the bonds or interest on the
22 bonds is outstanding and unpaid, there is appropriated out of the
23 first money coming into the treasury in each fiscal year, not
24 otherwise appropriated by this constitution, the amount sufficient
25 to pay the principal of and interest on the bonds that mature or
26 become due during the fiscal year, less any amount in any interest
27 and sinking account at the end of the preceding fiscal year that is

1 pledged to payment of the bonds or interest.

2 SECTION 2. This proposed amendment shall be submitted to the
3 voters at an election to be held November 3, 1987. The ballot
4 shall be printed to provide for voting for or against the
5 proposition: "The constitutional amendment authorizing the
6 legislature to provide for state financing of the development and
7 production of Texas products and businesses."

H.J.R. No. 4

President of the Senate

Speaker of the House

I certify that H.J.R. No. 4 was passed by the House on April 7, 1987, by the following vote: Yeas 119, Nays 26; and that the House concurred in Senate amendments to H.J.R. No. 4 on May 20, 1987, by the following vote: Yeas 136, Nays 0, 1 present, not voting.

Chief Clerk of the House

I certify that H.J.R. No. 4 was passed by the Senate, with amendments, on May 14, 1987, by the following vote: Yeas 30, Nays 0.

Secretary of the Senate

RECEIVED: _____

Date

Secretary of State

President of the Senate

Speaker of the House

I certify that H.J.R. No. 4⁽¹⁾ was passed by the House

on April 7⁽²⁾, 1987, by the following vote:

Yeas 119⁽³⁾, Nays 26⁽⁴⁾

and that the House concurred in Senate amendments to H.J.R. No. 4
on May 20⁽⁵⁾, 1987, by the following

vote: Yeas 136⁽⁶⁾, Nays 0, 1 present not voting⁽⁷⁾

Chief Clerk of the House

**** Preparation: 'A;CT20;

I certify that H.J.R. No. 4⁽¹⁾ was passed by the Senate, with

amendments, on May 14⁽²⁾, 1987, by the following

vote: Yeas 30⁽³⁾, Nays 0⁽⁴⁾

Secretary of the Senate

RECEIVED:

Date

Secretary of State

**** Preparation: 'A;CT22;

HOUSE JOINT RESOLUTION

By Robert
Hachmey
Al Luna

proposing a constitutional amendment providing for state financing of development of Texas products and businesses.

FEB 6 1987

1. Filed with the Chief Clerk.

FEB 10 1987

2. Read first time and referred to Committee on

Science & TechnologyMAR 31 19873. Reported favorably ^(as amended)
(as substituted) and sent to Printer at 7:40 p.m.MAR 31 19874. Printed and distributed at 10:44 pmAPR 1 19875. Sent to Committee on Calendars at 5:17 pmAPR 7 19876. Read second time ^{as subs.} (amended) and (finally) passed to ~~third reading~~ by a Record Vote of 119 yeas, 26 nays, 0 present, not voting.

7. Motion to reconsider and table the vote by which H.J.R. _____ was ordered engrossed prevailed (failed) by (Non-Record Vote) (Record Vote of _____ yeas, _____ nays, _____ present, not voting).

8. Read third time (amended) and finally adopted (failed of adoption) by a Record Vote of _____ yeas, _____ nays, _____ present, not voting.

9. Caption ordered amended to conform to body of resolution.

10. Motion to reconsider and table the vote by which H.J.R. _____ was finally adopted prevailed (failed) by a (Non-Record Vote) Record Vote of _____ yeas, _____ nays, and _____ present, not voting).

APR 7 198711. Ordered Engrossed at 12:10 pmAPR 7 1987

12. Engrossed.

APR 7 198713. Returned to Chief Clerk at 4:03 pmAPR 8 1987

14. Sent to the Senate.

Berty Murray
Chief Clerk of the HouseAPR 8 1987

15. Received from the House

APR 9 198716. Read, referred to Committee on STATE AFFAIRS

17. Reported favorably

MAY 12 1987

18. Reported adversely, with favorable Committee Substitute; Committee Substitute read first time.

19. Ordered not printed.

MAY 14 198720. Regular order of business suspended by unanimous
(a viva voce vote.) consent
(_____ yeas, _____ nays.)

21. To permit consideration, reading and passage, Senate and Constitutional Rules suspended by vote of _____ yeas, _____ nays.

MAY 14 198722. Read second time passed to third reading by:
(a viva voce vote.)
(_____ yeas, _____ nays.)

MAY 14 1987

23. Caption ordered amended to conform to body of bill.

MAY 14 1987

24. Senate and Constitutional 3-Day Rules suspended by vote of 29 yeas,
1 nays to place bill on third reading and final passage.

25. Read third time and passed by

(a viva voce vote.)
(30 yeas, 0 nays.)

OTHER ACTION:

OTHER ACTION:

Betty King

Secretary of the Senate

5-14-87

26. Returned to the House.

MAY 14 1987

27. Received from the Senate (with amendments.)
(as substituted.)

MAY 20 1987

28. House (Concurred) (~~Refused to Concur~~) in Senate (Amendments) by a (Non-Record)
(Substitute) ~~Vote~~ (Record Vote of 136 yeas, 0 nays, 1 present,
not voting).

29. Conference Committee Ordered.

30. Conference Committee Report Adopted (Rejected) by a (Non-Record Vote) (Record
Vote of _____ yeas, _____ nays, and _____ present, not voting).

MAY 20 1987

31. Ordered Enrolled at

1:23 pm

1987 MAY 14 PM 9:50
HOUSE OF REPRESENTATIVES

HOUSE OF REPRESENTATIVES
1987 APR -7 PM 4:03

HOUSE OF REPRESENTATIVES
1987 MAR 31 PM 10:44

4